

# dental management

JANUARY 1961

THE NATIONAL BUSINESS MAGAZINE FOR DENTISTS



In this issue

**HOW TO FORM A PARTNERSHIP**

for better  
dentist-patient  
relationships...  
try these  
three steps to pleasanter dental therapy  
with  
**Thermodont<sup>T.M.</sup> Tooth Paste**

Are you and your patients getting *all* of the benefits possible with Thermodont Tooth Paste? Although the efficacy of Thermodont in relieving and controlling dental sensitivity due to hot and cold foods and drinks is readily recognized, an awareness of its *full* potential can aid you enormously in your practice. Consider these three simple steps.

■ **Step 1: Recognize the sensitivity.** Even without patient complaint, recognition is relatively easy because sensitivity often accompanies more serious conditions, among which are: **recession • erosion • malocclusion • unrestored missing teeth • clasp abrasion • excessive brushing • inadequate brushing.** Investigation has indicated that as many as *one in four* patients may be suffering from dental hypersensitivity. ■ **Step 2: Begin adjunctive therapy with Thermodont.** Used between visits, Thermodont can diminish undue discomfort during instrumentation at the chair. It is important that you emphasize *daily* and *continued* Thermodont brushing during this treatment period for best results. Your patient will be more comfortable, while you will benefit in time saved by not having to "go slow"—a pleasanter experience for both of you. ■ **Step 3: Recommend "well care" with Thermodont.** It is completely safe for your chronically sensitive patient to continue indefinitely in the normal routine of good oral hygiene. Thermodont is an excellent cleansing dentifrice for everyday mouth care. Not only will desired relief from hypersensitivity be maintained between office visits, but you can be assured that the improved mouth comfort will facilitate proper dental care. Try Thermodont's "Three Steps" and see if it isn't so. ■ Thermodont is promoted only to the profession, and is available in 2-ounce tubes at all pharmacies.

*Thos. Leeming & Co., Inc.* New York • Montreal

# YOU... and the News



IN THE MARKET FOR A NEW HOME? You'll find that the predictions of easier mortgage money are finally coming true. Cash for home borrowing is now "ample" in 77 percent of the nation, says C. Armel Nutter, president of the National Association of Real Estate Boards. In only 4 percent of the country is it still tight. Rates haven't dropped much as yet; the going figure in most places is still 6-6½ percent. But if you're in a soft-money area, don't hesitate to shop around and do some dickering over rates and terms.

THIS IS THE TIME TO PICK UP that "big ticket" home appliance you've been wanting. Manufacturers stepped up production last year, expecting 1960 to be a boom period for appliance sales. But it hasn't worked out that way, and dealer shelves are stocked with unsold goods. Retail prices have been driven way down—back to 1951-52 levels, says General Electric chairman Ralph G. Cordiner. A TV set that sold for \$199 a year ago now goes for \$160. A \$300 refrigerator can be picked up for under \$200.

THE A.D.A. GROUP LIFE INSURANCE PROGRAM is now a better buy than ever. Starting this month, the cost will drop from \$60 down to \$40 a year for men under 30. For dentists between 31 and 40, the annual premium will slide from \$100 to \$80. At higher age

## YOU AND THE NEWS

levels the rates haven't been changed, but dentists severely disabled before reaching 60 can now remain insured without paying any more premiums. Old timers get a new break, too. On reaching age 76, they'll receive a paid-up \$500 policy.

NOW YOU'LL BE ABLE TO INVEST in a hotel, an office building or an apartment house as easily as you buy into a mutual fund. And you'll be able to get the same kind of diversification, professional management, and tax advantages that a fund offers. It's all been made possible by a law going into effect this month, setting up a new type of investment medium. Called "real estate investment trusts," they'll pool your money with that of other investors to buy real estate properties. The first offerings are already beginning to hit the investment markets. Check with your broker if the idea appeals to you.

HOW GOOD A DEAL WILL YOU GET from a dental service corporation, if and when your state creates one? Good enough, most New York dentists apparently believe. More than 9,000 of the state society's 11,700 members have already signed up, though the program was legislated only last year. "The basic plan for the program will be ready in a few months," says Charles A. Wilkie, D.D.S., state society secretary. A total of ten states and the District of Columbia now have dental service corporations, according to the latest A.D.A. survey. In three places, California, Oregon and Washington State, the corporations are already in operation.



# dental management

THE NATIONAL BUSINESS MAGAZINE FOR DENTISTS

Vol. I, No. I

January 1961

## contents

### You and the New Social Security Law ..... 9

Once again the nation's basic retirement system has been overhauled. Every dentist will be affected by the changes

### Small Claims Court Can Help You Collect!..... 16

Too small a bill to take to a lawyer for collection? No injustice is too little for these tribunals to deal with

### Primer for Investors ..... 23

You can make money in the stock market if you know how to go about it. Here are the first steps for you to take

### "I Picked a Partnership"..... 30

After 30 years of practicing alone, this dentist took on an associate. His reasons may change some of your old ideas

**DENTAL MANAGEMENT:** Published monthly by Professional Publishing Corporation at Stamford, Conn. Copyright 1961. All rights reserved and reproduction without written permission is prohibited. Subscription: \$5.00 a year in U.S.; \$6.00 in Canada; \$7.50 in all other countries; single copies 50¢. Circulation, over 90,000 dental practitioners, dental universities, and others. Address all editorial and business correspondence to DENTAL MANAGEMENT, Box 285 Ridgeway, Stamford, Conn. Tel. DAvis 3-4321. Advertising space rates available on request.

## contents...

<b>You Can Deduct Those Practice-Building Expenses.....</b>	<b>39</b>
It costs money to develop a thriving practice. But Uncle Sam will help you foot the bill—if you keep good records	
<b>Compact Car Economy: All That It's Cracked Up to Be?..</b>	<b>43</b>
The facts don't always square with the claims. Check this article before you decide what your next auto will be	
<b>Resolved: Better Tax Records for 1961! .....</b>	<b>49</b>
1960 figures are already fixed. By making 1961 a "record" year you can keep your taxes to a record low	
<b>Good Dentistry Is Not Enough .....</b>	<b>53</b>
Four other things can make or break your practice. Take a long look around. How does your own office stack up?	
<b>New Rules on Tax-Favored Benefit Plans .....</b>	<b>59</b>
How a dental group can qualify for pension benefits. Rules are tough, but at least there's a fighting chance	

## DEPARTMENTS and Short Features

<b>You . . . and the News .....</b>	<b>1</b>
<b>The Publisher's View .....</b>	<b>7</b>
<b>Poem, "O Dentist, My Dentist!" .....</b>	<b>15</b>
<b>Washington Spotlight .....</b>	<b>37</b>
<b>Anecdotes, Humor .....</b>	<b>25, 29, 36, 63</b>
<b>Cartoons .....</b>	<b>12, 45, 60</b>
<b>Dr. X Has a Problem.....</b>	<b>58</b>
<b>Index to Advertisers .....</b>	<b>64</b>

# **dental management**

## **Editor**

**M. J. GOLDBERG**

## **Managing Editor**

**GEORGE L. GEIGER**

## **Art Director**

**WILLIAM H. BODGE**

## **Articles Editor**

**ROBERT ZACKS**

## **Features Editor**

**PRINCINE MERENDINO**

## **Associate Editors**

**MARTIN GEYLIN  
LOUISE KORBELL  
LOUISE SCHANZER**

## **Editorial Consultants**

**BERT BALLIN, D.D.S.  
LAWRENCE J. PEARSON, D.D.S.  
HERMAN S. ROCKOFF, D.D.S.**

## **Business Manager**

**RICHARD R. CUMMINS**

## **Production Manager**

**PETER O'MALLEY**

## **Advertising Sales Manager**

**H. DOUGLAS ROBINSON**

## **District Manager**

**CAL STEIN**

# CHLORASEPTIC

Anesthetic • Bactericide • Fungicide

A non-toxic, alkaline solution (buffered to pH 8.5) with combined anesthetic, bactericidal and fungicidal properties

INDICATIONS: to relieve soreness . . .

1. After extractions and other oral surgery
2. After insertion of immediate dentures
3. In treatment of Vincent's infection
4. In treatment of pericoronitis
5. Gingival soreness (after scaling)
6. In treatment of aphthous and herpetic stomatitis
7. In taking impressions and x-rays
8. Local trauma of the oral mucosa

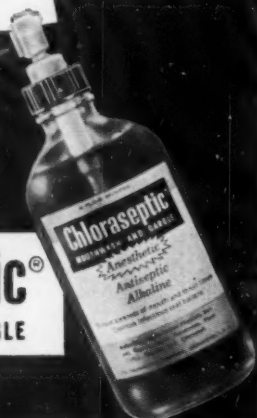
For complete information, see page 653 of your 1960 "Physicians' Desk Reference"  
Ethically promoted — Available at all drug stores — with or without sprayer

bactericidal...  
fungicidal...  
and anesthetic!



**Chloraseptic®**  
MOUTHWASH AND GARGLE

Anesthetic



**ANESTHETIC.** "Effective relief from soreness was obtained within 15 seconds and lasted 2-3 hours."<sup>1,2</sup>

**NON-TOXIC and NON-SENSITIZING.** "No toxic or sensitizing effects were observed."<sup>1,2</sup>

**BACTERICIDAL.** "Chloraseptic reduced the Streptococcus hemolyticus count 40-70% in the first 24 hours. . . . In a comparative study, Chloraseptic was found to be more effective than injectable penicillin (600,000 units) administered every 24 hours."<sup>1</sup>

*"Chloraseptic aids the natural healing process by reducing the bacteria count while relieving pain at the source."<sup>1</sup>*

1. Novick, Joel M. and Sodhi, G. S., Chloraseptic; Evaluation as a Therapeutic Agent, Medical Annals of the District of Columbia, Vol. XXIX, No. 8, August 1960.
2. Blum, Bertram, Clinical Evaluation of an Anesthetic Mouthwash, N. Y. State Dental Journal, Vol. 26, No. 9, November, 1960.

the chloraseptic company  
401 Victor Bldg.  
Washington 1, D. C.

Please send:

- ☐ Clinical sample of CHLORASEPTIC ..... no charge  
☐ Half gallon of CHLORASEPTIC ..... \$5.00  
(please enclose check with order)

Dr. ....

Address .....

City ..... Zone ..... State .....

DM

# dental management

THE NATIONAL BUSINESS MAGAZINE FOR DENTISTS, JANUARY 1961

*The Publisher's*

## VIEW

### **The Philosophy of DENTAL MANAGEMENT**

We've invaded your mailbox, doctor, uninvited and unannounced. You have a right to know why. You have a right to know what this magazine is about and what it intends to do. Some pointed questions and answers:

#### **Whom is this magazine for?**

DENTAL MANAGEMENT is designed and edited for *you*, the practicing dentist. Your assistant may also want to read it, and we hope your family will, too. But DENTAL MANAGEMENT is *definitely not* for your waiting room.

#### **What is the purpose of Dental Management?**

We will offer you each month a few hours of vital reading,

focused on your economic problems as a practicing dentist. DENTAL MANAGEMENT will entertain you; it will inform you. Most important of all, it will help you. Our key aim is to show ways of saving time, effort, and money. We will show how you can build and improve your dental practice, how you can spend and invest more wisely, how you can save money on your income taxes. In short, we will be as the cover proclaims us: "The National Business Magazine for Dentists."

#### **Will we take the place of your accountant, lawyer, invest- ment adviser, or professional management consultant?**

No publication can do that, and DENTAL MANAGEMENT will not attempt to. We are a magazine of money-saving ideas, but all ideas must be shaped to meet your individual needs and circumstances. We hope you'll take articles you like to your business adviser, and discuss them with him.

## THE PUBLISHER'S VIEW

### **Will we cover clinical subjects in Dental Management?**

No, not at all. We leave that in the capable hands of the professional journals.

### **Who will prepare the material in Dental Management?**

Most often, it will be written by authorities in the particular field. Witness "Primer for Investors" appearing in this issue, prepared by a stock broker with some twenty years' experience with one of the largest firms in the country. And the article, "You Can Deduct Those Practice-Building Expenses," written especially for DENTAL MANAGEMENT by the director of the famed J. K. Lasser Tax Institute.

Other articles will be written by dentists, themselves, telling of the practice-building secrets that experience has taught them. In this issue, for example, one senior dentist tells why he decided to enter a partnership after thirty years of solo practice.

Still other articles will be written by the staff of DENTAL MANAGEMENT, experienced journalists skilled in the art of collecting and sifting facts.

### **What connection does Dental Management have with the**

### **American Dental Association, with other professional societies, and with other dental publications?**

None. We are independent of them all. We are free to state the facts as we see them, with your best interests alone in mind.

The day is already long past when the discussion of money matters was somehow considered "unprofessional." A dentist's first responsibility is to his patients, but that is not his only one. He has a responsibility to himself, to his family, and to his community. He must give his family the standard of living it deserves, he must raise and educate his children, he must provide for his own old age, and he must protect his family against his own untimely death. For too long, these problems have been slighted in the dental classrooms and in the dental literature. DENTAL MANAGEMENT will fill this gap.

Between pages 32 and 33 is a postage-free postcard, asking for comments and suggestions about DENTAL MANAGEMENT. Won't you please take a few moments to fill it out. END

# What the New Social Security Law Does for You



JOHN Q DOE

By LEE GRAY

Last year, as in almost every major election year since 1950, Congress amended the Social Security Law. The new medical aid program for the needy aged hogged the newspaper headlines. But buried in the massive one-pound, 200-page law are changes of far more immediate importance to you and your family.

In one way or another, the law will affect the future security of virtually every practicing dentist. True, the basic benefit levels and payroll tax rates have not been changed. But many other important aspects of the law have been—all in the direction of earlier benefits, higher benefits, and increased protection.

Now, for the first time, you may be able to claim full and immediate Social Security retirement benefits. You'll be able to earn more after retirement age

The author is president of the J. K. Lasser Tax Institute.



## NEW SOCIAL SECURITY LAW

and lose less of your monthly benefit. You and members of your family may be able to receive payments if you're disabled before retirement age, no matter how old you are. And it may even be possible for you to help your father or mother also win the right to Social Security protection.

So you'd better bone up on the law and on how the changes will affect you. Here's a quick survey of the major differences between the old law and the new:

### Figuring Your Coverage

**1. Coverage.** To be eligible for Social Security payments, you must work in a position covered by the program for a set number of years. Just how long depends on what year you'll reach retirement age.

As the law used to be, your total time in covered employment had to equal at least half of the time between January 1, 1951, and your 65th birthday. Now you only have to work one-third of that time in covered employment. The change is vital to dentists, who generally came under the Social Security program much later than other people.

It's particularly important to older men who have already retired, or are now about to.

Thus, a dentist reaching age 65 the beginning of this year needs only three years of covered employment to qualify for a retirement income. Under the old law, he'd need four and one-half years.

About 400,000 people can now begin to draw retirement payments, thanks to this one change in the law alone. So if you've ever been told before that you didn't qualify for Social Security, check again. Now you may be able to.

Here's how long you have to work in covered employment to be fully insured:

If you reach retirement age (65 for men, 62 for women) in the year:	You'll need this much covered employment:
1960	3
1961	3½
1962	3½
1963	4
1964	4½
1965	4½
1966	5
1967	5½
1968	5½

1969	6
1970	6½
1971	6½
1972	7
1973	7¼
1974	7½
1975	8
1976	8¼
1977	8½
1978	9
1979	9¼
1980	9½
1981 or later	10

2. *Disability benefits.* Up to now, severely disabled persons could have their Social Security record "frozen"—protecting their

right to future benefits. But not until they reached age 50 could they begin to collect payments.

That's been changed now. If you meet disability requirements you can qualify for disability benefits no matter what age you are. The benefits are exactly the same as you'd get if you retired at 65. And payments can also be made to your wife and children under 18.

But there is one special eligibility requirement for disability benefits. To qualify, you must have worked in covered employment for at least five out of the



**HU-FRIEDY  
NON-TARNISH  
SUTURE  
NEEDLES**

These rust-resisting needles remain bright after continuous sterilization. Made of the same flawless grade of steel which has made Hu-Friedy products the favorite of Oral Surgeons the world over. Hu-Friedy Needles have attained high praise for durability, strength, and sharpness of the cutting edges.

At better dealers everywhere.



**HU-FRIEDY MFG. CO.**  
Immunity Seal  
Economic Suture Needle  
No. 3  
One Dozen

packed in plastic

**HU-FRIEDY**  
MFG. CO. INC.

*The Finest in Dental Instruments*

3118 N. Rockwell St., Chicago 18, Illinois

## NEW SOCIAL SECURITY LAW

ten years just before you became disabled. If you entered the system in January 1956 and have practiced dentistry ever since, you meet the requirements as of the beginning of this year.

### "Disabled" Defined

One word of warning about Social Security disability benefits: "Disabled" under the Social Security Law may not have the same meaning as "disabled" in your private insurance plan. Under Social Security, it means your inability to engage in "any substantial gainful activity." Also, there's a six-month waiting period before benefits begin. So

don't look to Social Security as the complete answer to your disability insurance problems. The benefits are meant to partially replace lost income, so you'll want to buttress it with a good private disability insurance policy of your own.

3. *Work clause.* For dentists, this is probably the *most important single change made by the new law*. Many men continue at least part of their practice after they reach age 65. But it used to be you could lose more in Social Security benefits than you earned by some part-time practice. If you made even \$1 more than the \$1,200 earnings limit, you lost an



entire month's check. And for every extra \$80 you earned, you lost another check.

### How Work Clause Operates

Not any more. A dentist who continues some work after he retires will *always* receive more in combined income and pension than one who doesn't. Here's how the new work clause operates:

- If you earn \$1,200 or less after you reach age 65, you can collect your full Social Security (same as under the old law).

- If you earn more than \$1,200, you lose \$1 of benefits for

every \$2 that you earn between \$1,200 and \$1,500.

- For every \$1 your earnings go above \$1,500, you lose \$1 of benefits.

- Once you pass age 72, you can earn any amount without losing benefits (same as the old law).

To see how this works out, suppose you and your wife are drawing Social Security payments of \$150 a month. Assuming you practice in every month of the year, here's what you lose, under the old and new laws, if you also continued to earn some income from your practice:

Annual income from part-time practice:	Social Security Old Law	Pension Lost New Law
\$1,200 or less	0	0
\$1,500	\$600	\$150
\$2,000	\$1,500	\$650
\$2,500	\$1,800 (all)	\$1,150
\$3,000	\$1,800 (all)	\$1,650
\$3,150 (and over)	\$1,800 (all)	\$1,800 (all)

4. *Benefit increases.* In one way, the new law does raise Social Security benefit levels. If a man dies, *each* of his dependent children will receive three-quarters of what he would have gotten at retirement, up to the family maximum of \$254 a

month. Under the old law, each of the children only received half of what their father would have gotten at retirement, with an additional one-quarter of the total amount divided among all the children.

If you have only one child,

## NEW SOCIAL SECURITY LAW

this change won't make any difference to you. The child would get three-fourths of your benefit under both the old and the new laws. But if you have two or more children, the benefits will be higher. Some 400,000 of the 900,000 children now drawing survivorship benefits will get some increase in their monthly payments as a result of this change in the law.

### Parents' Work Covered

*5. Coverage of parents.* Beginning this year for the first time, the work that a parent does for a child will be covered by Social Security. So if your father and mother lack some time toward meeting the Social Security coverage requirements, it's possible for you to employ them and help them qualify. But the work must either be in connection with your practice, or with some other business interest that you have. Household work by a parent for a child still isn't covered.

Those are the major changes made by the new Social Security Law, the changes most likely to affect you as a practicing dentist. But there were a number of other small changes, some of which may apply to you. To

tick a few of them off quickly:

- A non-profit organization can cover those of its employees who want it, without the consent of two-thirds of the entire group.

- U. S. citizens who work within the U. S. for foreign governments will now be covered by the Social Security Law.

- The wife of a Social Security beneficiary can also qualify for payments after being married to him for one year. Before, there was a three-year waiting period.

- Disabled persons who go to work despite their handicap can continue to receive benefits for another year.

- Disability beneficiaries who recover and go back to work, then are disabled again within five years, don't have to undergo another six-month waiting period before their benefits resume.

There you have it, the major changes made by the 1960 Social Security Law. The different provisions had different effective dates, but the last of them went into operation the beginning of this month. If you're in doubt about how the law affects you, check with your nearest Social Security office.

END

## *O Dentist, My Dentist!*

(The tragic sequel to a complete mouth  
rehabilitation.)

*O dentist, my dentist, the tearful task is done,  
Your hand has conquered every tooth,  
    you've crowned them one by one.  
Yet now I fear 'neath each veneer,  
    a pulp or two is dying,  
Whenever I drink tea, I feel a pain  
    that sets me crying.  
And how hard, hard, hard,  
That thought within my head  
That I have teeth that soon will be  
Pulpless, filled and dead.  
O dentist, my dentist, rise up and say me, "No!"  
'Tis you who ground my teeth above and  
    crowned the ones below.  
'Tis you who filled my mouth with gold,  
    with jacketed incisors;  
You who always were to me sincerest of advisors.  
But now, now, now,  
This thought within my head.  
It is some dream that ev'ry tooth  
Is pulpless, filled, and dead.  
My dentist does not answer, his lips are pale and still,  
And he no longer grinds my teeth, alas,  
    he never will.  
My teeth are anchored, ground and crowned,  
    with every bridge cemented,  
And I, with nerves that are not sound,  
    distressed, disturbed, demented.  
Yet I am free, and fear no more,  
No longer filled with dread  
For on the floor my dentist lies,  
Fallen, cold, and dead.  
I shot him through the head.*

—Arthur S. Ash, D.D.S.

# Small Claims Court Can Help You



## Collect!

*Are you plagued  
by minor disputes over  
some of your lesser  
bills? Want  
to get results with-  
out hiring a lawyer?*

A FEW months ago, a young New York dentist faced one of the plagues of his profession. He'd done a fine job in saving a woman's tooth, but her gratitude stopped short of prompt payment. The bill was \$30, and the fledgling dentist realized that it just didn't pay to hire an attorney or go to court for such a small sum.

Going for advice to a more experienced practitioner, he was told: "Try the small claims court. You don't need an attorney, it's fast, there's practically no court cost, and you get results."

In New York City, this court is known as the Small Claims Part of the Municipal Court. Elsewhere it is often known by other names, such as People's Court, Debtor's Court, or In-

BY ROBERT ZACKS





ferior Civil Court. But whatever it's called, its object is the same: swift justice for minor disputes.

The dentist went to the small claims court, signed an affidavit telling his story, and paid the clerk a \$1.50 filing fee plus the cost of sending a registered letter to the woman patient. The clerk prepared a digest, entered it on the docket, then mailed the woman a hearing notice. It had the legal effect of a subpoena.

### **Unique Procedure**

When the hearing date arrived, the dentist and the woman could have had an official trial by a judge. Instead, they took advantage of a procedure which makes the small claims court unique; they signed an agreement to stand by the decision of

an informal arbitrator. This arbitrator, or referee, was not subject to the usual rules of evidence, his decision was final, and there was no appeal.

"Do you admit the work was satisfactory?" he asked the woman, as they sat around a small table. She nodded gloomily. "Then why won't you pay?" he asked.

"My expenses have been just terrible," she moaned. "I had an awful lot of bills to pay. And my Clara needs an Italian cut."

Clara turned out to be a poodle dog, and the Italian cut was a fancy doggish haircut. The decision went in favor of the dentist.

### **Godsend to Dentists**

The informality and swiftness of such proceedings have been a godsend to dentists. The Institute of Judicial Administration, in a special study of the mushrooming popularity of small claims courts, declared: "It has been noted that professional men employ the small claims courts in increasing numbers."

The total cost to the dentist in the above action came to about \$2, and the entire case was disposed of in 20 minutes. General-

## **SMALL CLAIMS COURT**

ly, the fees vary from 50 cents to \$7.50 in the 31 states, District of Columbia, Puerto Rico and Virgin Islands, which have small claims courts. Also, there is a difference in the amount you can sue for in those states, ranging from \$50 to \$1,000.

There are other differences among small claims courts. In Kansas, for instance, a summons can be issued by telephone, which really speeds things up. And in the Conciliation Branch of the Cleveland Municipal Court (which is what the small claims court is called there) an attempt is made to conciliate the claim before the suit is officially filed.

Where one of the parties to a small claims action wants an official trial, a judge hears the case without a jury. A stenographer makes a court record, but the claimant and defendant usually represent themselves. The judge can subpoena witnesses if he has to, but it isn't often necessary. The plaintiff, having chosen action in a small claims court, waives the right to appeal the judge's decision. This really doesn't matter because the amount involved is so small that an appeal usually wouldn't be

worth while.

Most small claims courts discourage the use of attorneys and some forbid it. But in a few areas, such as the District of Columbia's Small Claims Branch, as many as 75 percent of all claims are filed by lawyers. This cancels out one of the big advantages of a small claims action. Legal fees can eat up much of the small amount sued for.

### **Number of Cases Limited**

If you try to take action against all your non-paying patients at once, you'll find, unfortunately, that most states limit you to one or two cases at a time. However, the future looks bright so far as this problem is concerned. Two states, Maine and New Hampshire, have already scrapped their limits on the number of claims one person may bring before the court during a particular week or month. The Institute of Judicial Administration comments: "This action would seem to encourage the use of small claims courts by repeating claimants, as well as the occasional litigant."

Some small claims courts won't allow a judgment against the defendant to be executed by

attachment of his property or garnisheeing his salary. Most of them do allow it. But the fact is that the average small claims court defendant very quickly recognizes it when he is in the wrong.

Take, for example, the man who blustered to the judge that he had good reason for not paying his dentist.

"And what is that?" asked the judge patiently.

"Your honor, I had to wait over an hour for attention, and my time is worth as much as the \$10 being charged me."

The dentist spoke up. "He had no appointment," he said. "He isn't a regular patient. It was his first visit. I had a waiting room full of patients, some of them in pain. . . ."

The man paid right then and there.

### Defendants Seldom Win

What percentage of small claim cases are decided in favor of the plaintiff? Here's the record of one court, that of Hartford, Connecticut, during the first 18 months of its operation:

Total Cases Filed . . . . .	5,236
Plaintiffs won . . . . .	2,561

Defendants won . . . . .	128
Settled out of court . . .	1,666
(to satisfaction of plaintiff apparently)	
Cases dismissed . . . . .	780
Transferred to other courts . . . . .	46

This test check suggests that the small claims court is a good place for professional men to collect what is due them. But most significant of all, of the 2,561 judgments won by the plaintiffs 1,962 were default decisions. In other words, in almost 80 percent of the cases the plaintiffs won because the other party never even showed up to defend himself. Such victories by dentists save considerable time.

Of course, patients can contest small claims actions if they choose to. And sometimes their arguments are startling. Take the man in an Idaho small claims court whom a dentist sued for \$90, for filling a gap in his wife's row of teeth.

"Listen, judge," howled the defendant, "I didn't want my wife to have that job done. She never used to leave the house, always stayed home. Now she's gallivanting around all the time, smiling at *everybody*."

## **SMALL CLAIMS COURT**

The dentist collected his \$90.

### **Towns, Cities Have Courts, Too**

If you want to use a small claims court to help you collect, first find out if there's one available to you. The table with this article lists the states that have such courts, and the size claim they're allowed to handle. Many

states have passed laws permitting towns and cities to establish such courts, but your particular community may not have done so. If so, you and your local dental society can ask town officials to set one up.

To sum up, then, the features of the small claims courts which make them different from regular courts are:

## **Do You Practice in One of These States?**

<b>State</b>	<b>Limit to Amount of Claim</b>
Alabama	Varies from \$100 to \$300
Alaska	\$300
California	\$150
Colorado	Varies from \$50 to \$100
Connecticut	\$250
District of Columbia	\$50
Florida	Varies from \$250 to \$300
Georgia	\$500
Idaho	\$100
Kansas	\$100
Louisiana	\$100
Maine	\$50
Maryland	\$500
Massachusetts	\$75
Minnesota	Varies according to statute
Nevada	\$200
New Hampshire	\$100

- Defendants may be served by mail or phone.

- Informality rules, and the usual standards of evidence are ignored.

- Fees are very low and there is virtually no expense.

- The jury is eliminated.

- There is usually no appeal from the judge's decision.

- Arbitration is always offered to those involved.

- Lawyers are unnecessary and often forbidden.

- The judge controls the hearing and makes a realistic decision as to collection of the judgment.

Because of all of those points, you'll discover the small claims court the swiftest, surest, and cheapest source of justice you can find.

END

## Then Small Claims Court Can Help You

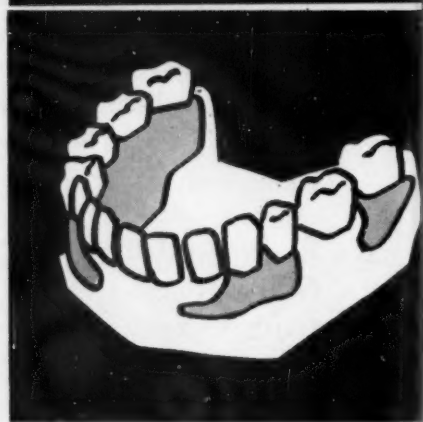
State	Limit to Amount of Claim
New Jersey	Varies from \$50 to \$100
New Mexico	\$1,000
New York	\$100
North Carolina	\$1,000
Ohio	Varies from \$75 to \$100
Oklahoma	\$70
Oregon	\$50
Puerto Rico	\$100
Rhode Island	\$50
South Dakota	\$50
Texas	Varies from \$50 to \$100
Utah	\$100
Vermont	\$40
Virgin Islands	\$100
Washington	\$20
Wisconsin	Varies from \$50 to \$1,000
Wyoming	\$50

# ***FLEXON***

**the partial without  
clasps . . .**

FLEXON, the flexible partial with no clasps showing on the teeth, is a superpolyamide having the appearance of natural gums. FLEXON dentures are lightweight, free of odor absorption, tasteless and unbreakable under most severe mouth stresses.

- **ADDITIONS and REPAIRS** easily made.
- **STRONG and FLEXIBLE** although wafer thin.
- **SMOOTH FINISH**—no ragged edges.
- **NON-IRRITATING.**



**AMERICAN PROSTHETICS, INC.**  
357 Jay St., Brooklyn, N. Y.

- ☐ Send free literature that explains the many uses of FLEXON.
- ☐ Send literature about other American Prosthetic services.

Dr. \_\_\_\_\_

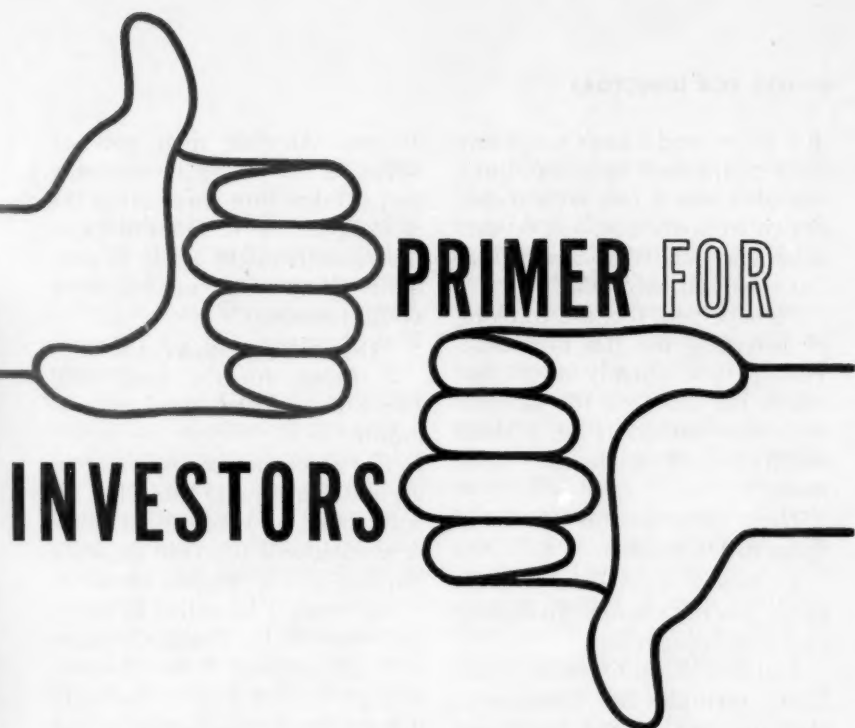
Address \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

## ***FLEXON***

made by  
**AMERICAN PROSTHETICS, INC.**

Franchised by **PLASTODENT** New York



# PRIMER FOR INVESTORS

*The dentist can make money in the stock market IF he has certain essential prerequisites and IF he follows these simple, proven directions*

BY HAROLD W. FREEDMAN

"I've been thinking of putting some of my spare cash into stocks," Dr. Walter Collins said to me about a year ago.

"My father left me a few shares of A.T. & T.," he continued, "so I know a little bit about how the market works. Now I'd like to invest on my own. Where do I begin?"

Dr. Collins didn't realize it, but he already had begun. He was sitting across the table from a stockbroker. That's the best start you can make. But there's much more to successful investing than that.

"Investing isn't a science," I told Dr. Collins. "I can't give you any pat formula for getting rich

The author is a stock broker associated with Bache & Co., in New York.



## PRIMER FOR INVESTORS

in a hurry, and I can't name any stock guaranteed to go up. But I can give you a few basic rules, drawn from my own many years experience on Wall Street, that I'm sure will help you."

Perhaps you, too, are thinking of investing for the first time. Perhaps you already own some stocks but are none too satisfied with the results. If so, I think you'll benefit from the same rules.

Here they are, as I related them to Dr. Collins:

*1. Before you invest, make sure you're ready—financially and psychologically.*

You can afford to invest if you have enough life insurance, enough accident and health insurance, are meeting all your bills without strain, and have enough ready cash in bonds or a savings account to meet any family emergency. *Those things are basic.* No man should risk money he can't afford to lose. And the stock market always involves risk.

Some people, no matter how much money they have, shouldn't be in the stock market. They haven't the temperament for it. One dentist I know squirms all day if his stocks drop a point

or two. Another man gets so wrapped up in his investments that it takes time away from his dental practice. If either of those descriptions might apply to you, better keep your money in a savings account.

### **Don't Be a Jackrabbit**

*2. Invest for the long pull. Don't be a stock market jack-rabbit.*

The stock market is going to go up. The general trend has always been upward, and I think it always will be. Our growing population and wealth assure it.

But there'll be setbacks along the way. They shouldn't panic you into selling. If you believe in a stock, stick with it. Sell only if the original reasons you bought it are no longer valid. The most successful investor I know is a man who bought a few good stocks 20 years ago and hung on to them ever since.

To be sure, some people do very well swapping stocks every Tuesday and Thursday. But usually, that kind of investor makes more money for his broker than he does for himself. Unless you've got a lot of cash, a lot of time, and a lot of market experience, I recommend you avoid frequent trading.

3. *Don't play the numbers game.*

A dentist-investor once said to me, "If I buy a \$2 stock and it goes up \$1, I've made 50 percent on my money. But if a \$50 stock goes up \$1, all I've made is 2 percent."

True enough. But it's also true that if the \$2 stock drops only a few cents, you've *lost* quite a bit of your money. The only thing that matters is the *percentage* gain or loss. A \$50 stock may climb as fast percentagewise as a cheap stock. IBM, which usually sells for several hundred dollars a share, has done very well for its investors over the years. But many a dollar stock has stayed just that.

**Are Cheap Stocks Cheap?**

Somehow, the idea has gotten around that you can't lose much money by buying a cheap stock. If it sells for \$1 or \$2 a share,

how much lower can it drop? The answer is, it can drop to zero. And if it does, you've lost exactly 100 percent of everything you invested.

As a class, the cheap stocks represent the younger, riskier companies. In time, some of them do grow into major corporations, with big profits for the people who climbed aboard early. But most of them eventually lose money for their investors. If you like long-shots, you might well want to invest a little of your money in such ventures. But limit it to a small fraction of your investment portfolio.

4. *Ignore tips.*

I know a man who claims to have made a fortune following the advice of his elevator operator. Well, maybe he did. But I don't recommend you try the system. A little common sense should tell you why the tips you

---

## New specialty

The General Dental Council in London learned of a new dental specialty last year. Its name is *dentopedalogy*.

"Dentopedalogy," Prince Philip told the Council, "is the science of opening your mouth and putting your foot in it."

## PRIMER FOR INVESTORS

hear are likely to be wrong.

Nobody with any real inside information goes around broadcasting it. Why should he? The more people who know and act on it, the less useful the information is. Anyway, by the time a rumor filters down to you, it's probably already gone through a few thousand other ears. Its value as "inside" information, if it ever had any, is already lost.

You should be especially careful, of course, of the hot-tip people who just happen to be selling the stock they're touting. Even if the stock does happen to go up in price, the tipster won't be around to tell you if or when to sell.

*5. Cut your risks as much as possible.*

As I mentioned before, there's always some risk in stock market investments. But you can keep it within sensible limits. There are two devices you can easily use.

The first is diversification. Spread your investments over several companies. You don't stand to make as much as you could if you staked everything on one stock. But you won't be hurt too badly if one of your stocks turns sour.

If you have, say, \$2,000 to in-

vest, you might start out with three different companies in three different industries. If you have \$5,000, you might buy into five stocks. Be careful about diversifying *too much*. Never buy more different stocks than you have time to keep an eye on.

The other way to hedge is in the timing of your investments. It's one thing to buy a good stock; it's another to buy it at the right time. Prices fluctuate, and you can pay too much for even the best security. The safest thing is to spread your purchases out, buying some shares now and some at later dates. Even better, you can "dollar average" your investments, i.e., invest a fixed amount of money each month or quarter in the stocks of your choice. Sometimes you'll buy when the market is high, sometimes when it's low. But on the average, you'll pay a fair price for your shares.

### **Confide in Your Adviser**

*6. Pick your investment adviser carefully.*

Find a man you feel you can trust. Then trust him. Tell him everything he needs to know about your income, your savings, your family responsibilities, and

how much risk you can afford to take. This is the only way he can help you pick the stocks best suited to you.

Most brokerage firms today are prepared to help you select your investments. They'll give you the basic statistical data about the industries and companies you're interested in. And if you want, they'll recommend specific purchases. Your banker can also give you some valuable help. Your lawyer or accountant may also have the training and experience to serve as your investment adviser. If you have a good deal of money to invest, at least \$25,000, you may want to ask an independent investment counselor to handle all your investments for you.

Dr. Collins listened thoughtfully as I spoke. "I agree with everything you've said," he said. Then he smiled. "But I still don't know which stock I should buy."

"You've got plenty to pick from," I answered. "There are a few thousand securities listed on the various stock exchanges. And there are many more thousands of unlisted stocks sold over the counter. Still, it's not too hard to narrow the field down to the right package of stocks for you."

## **PROFITABLE SPARE TIME INVESTMENT OPPORTUNITY FOR DOCTORS!**

**Own your own Licensed  
unattended coin-operated**

# **Westinghouse Laundromat®**

**we will finance for you!**

**Q** What are the advantages of owning a Westinghouse Laundromat laundry store?

**A** You are investing in one of the fastest growing industries in the country... can enjoy a substantial second income and financial security. Because all equipment is coin-metered, customers do-it-themselves and no attendants are necessary. You have no labor problems or inventories. Many stores operate 24 hours a day, 7 days a week... bringing you profits while you sleep!

**Q** How much time must be devoted to successfully operate a laundry store?

**A** This is a spare time business... a few hours each week is ample. Daily service can be contracted out to an independent Authorized ALD Serviceman. Laundry stores are ideal for absentee ownership by professional men.

**Q** Do you need experience?

**A** NO! ALD has planned over 10,000 profitable stores, successfully owned by doctors, lawyers, teachers and businessmen. Our complete program includes assistance in locating, store planning, training and promotion. Our staff of over 500 field experts gives you continuing help and advice on installation, advertising and management.

**Q** What about tax deductions?

**A** Accelerated depreciation schedules permit rapid accrual of equity... offer attractive tax deductions and sales for capital gains. Here is a business tailor-made for the doctor.

Pride yourself on good business sense? Compare the profit potential, leadership and consumer preference for the Licensed Westinghouse Laundromat store.

© ALD, Inc. 1960

For information, wire,  
call or write:

**ALD, Inc.** Dept. M

7045 N. Western Ave., Chicago 45

OFFICES IN 49 PRINCIPAL CITIES

ALD CANADA, Ltd., 54 Advance Rd., Toronto



## PRIMER FOR INVESTORS

"To begin with, I'd eliminate all unlisted stocks from consideration. There are many fine companies sold over the counter, but I'd suggest you stay away from them until you've had a little more stock market experience. And you can narrow your choice among the listed stocks quite a bit.

"Stocks are like people, you see. Each one has its own personality and characteristics. And you want some stocks that you can live with comfortably.

"Some industries are like squalling infants. If conditions are right, companies in the industry can double their weight in a year. But infants can also stumble and fall on their faces.

"Other industries are more mature. Take chemicals, for example. It'll continue to grow, but not at the explosive rate of early youth. And just because they are more mature, companies in that industry are less likely to falter.

"Some industries act a bit like your maiden aunt. They never kick up their heels and do anything unexpected. But four times a year, like clockwork, they'll send you a comforting little dividend check. Your util-

ity, food and retail stocks fall in that category.

### Roller-Coaster Issues

"And, finally, some industries act like manic depressives. One moment they're riding the crest of prosperity; the next, they're broke. We call them cyclical industries, because their fortunes depend so heavily on the turns of the business cycle. Steel and machine tools, for example, are like that."

"Which one of those categories is for me?" asked Dr. Collins.

"Let me ask you a question first," I said. "What are you investing for? What do you want to accomplish with your stocks?"

"Mostly, I want to build up a college fund for my children. If there's money left over, I'd want to accumulate that for my own retirement."

"I think you've pretty much answered your own question, Dr. Collins," I said. "You don't want or need extra current income in the form of dividends. And I don't think you'd want to risk your children's college education on some speculation. The best bet for you is growth stocks."

I handed Dr. Collins a list of the growth industries whose prospects I thought were brightest. They were the (1) electronic, (2) utilities, (3) chemical, and (4) retail industries. "And, as an afterthought, since you are a dentist and you believe dentistry is here to stay, you could invest in some dental stocks.

"You might begin by picking any three of these industries," I said, "and buying the stock of one company in each. That'll help you get a start on the diversification you need. And all of the stocks will match your investment aim—long-range growth."

"How do I decide which companies in those industries I ought to buy?"

"Start out with leaders in each industry, and ask yourself a few pointed questions about each:

- "Will the products of this company be in demand in lean years as well as boom years?"

- "Is the management capable and aggressive, and do the officers themselves own stock?"

- "What is the company's

sales, earnings, and dividend record for the past ten years?"

- "Is the company strong financially?"

- "Is the price of the stock reasonable, in terms of the company's present and prospective earnings?"

### **Picking the Right Package**

"Your investment adviser should be able to supply you with the statistical data you need, and he can also help you to evaluate the intangibles—the quality of management and the price of the stock. With your adviser's help, you should be able to pick out the right package of stocks for you."

"Sounds simple enough," said Dr. Collins.

"Investing money is never simple," I answered. "You've got some hard thinking ahead of you. No matter how careful and skillful you are, you can still make mistakes. The best of us do."

"But if you follow the above rules, the odds will be all in your favor. They've worked in the past, and they can again for you."

END

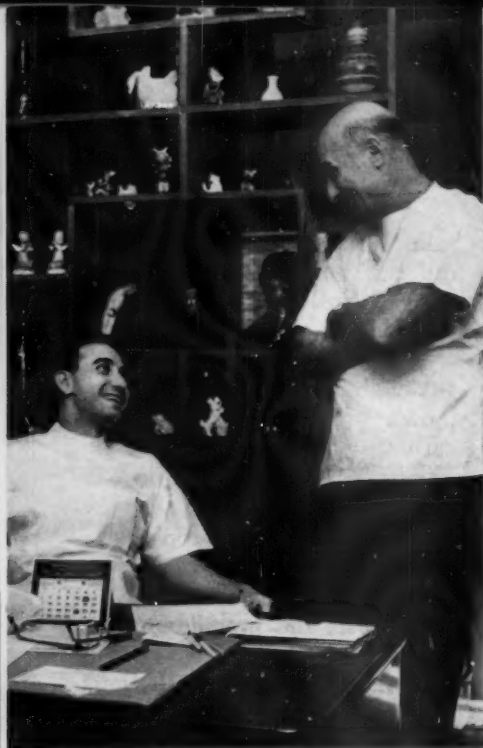
---

**N**aval drill She: You say you're a Naval dentist?

He: That's right.

She: What do you find to drill down there?



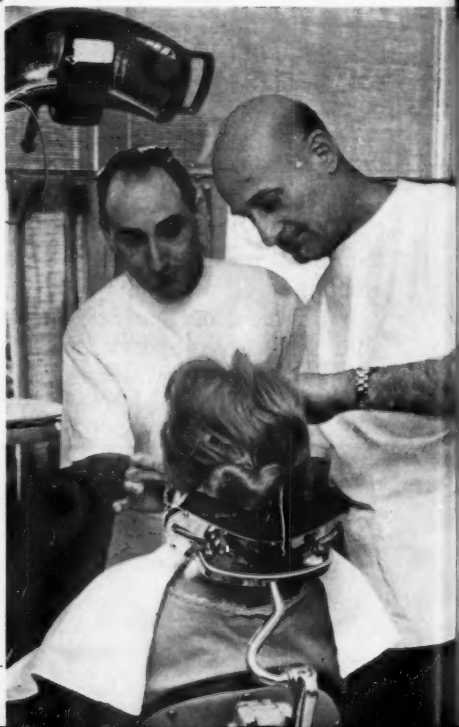


The author (right) practiced alone for years. Now he's entering a partnership with Dr. Phillip Barone.

"The man to pick is someone whose skills complement your own. You can cover for each other holidays and vacations."

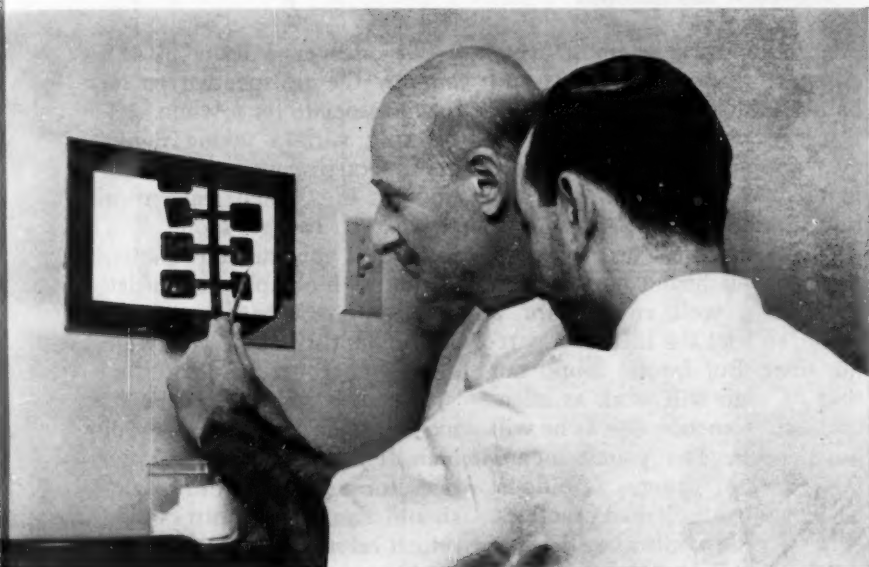
## *"I Picked a Partnership"*

*Two things are needed to insure the success of sharing your practice with a younger dentist—getting the right man, and putting the terms in writing. Then you'll both benefit*





"Employ a prospective partner as an associate for a while. You'll learn if the two of you can get along."



BY HENRY S. CALITRI, D.D.S.

I'VE just made the most important single decision of my professional life: *After thirty years as a solo practitioner, I've entered into a dental partnership.*

I didn't reach the decision quickly. I studied the idea for almost two years, and heard all the arguments on both sides of the question. Although I don't think a partnership is the answer to every man's professional problems, I'm convinced it's the best solution for me.

At first, I didn't think so. Why should I share my practice with a young man fresh out of dental school, I thought. I first began practicing during the depression, and it was a bitter struggle. What would any new man know about those rough years that lay behind me? He'd waltz right in and be earning an income it took me ten years to reach. I wouldn't hear of it.

But it was evident I couldn't maintain the killing pace of my

The author is a practicing dentist in New Jersey.

## "I PICKED A PARTNERSHIP"

practice. I worked almost every day, got home late nights, and hadn't had a vacation in years. I was a poor husband and an even poorer father. I needed help in my office and there was no getting around that.

As a substitute for a partnership, I tried hiring an assistant. It worked well enough for a while, so I let the idea of a partnership drift. But I soon found out that no man will work as effectively for someone else as he will for himself. The young men I hired were eager, ambitious. They wanted their own practices. After a little while they'd leave and I'd have to begin finding and training a new man all over again.

Still, I resisted setting up a partnership. After two heart attacks, I changed my mind. I took stock of myself, my practice, and my entire way of life. A partner seemed the only solution.

### Objections? All Sorts Occur

As I turned the idea over in my mind, all sorts of objections occurred to me. How do you find the right man? How can you be sure that he'll pull his own weight, and that his dentistry will be good enough?

The answer, I found, was to employ the prospective partner as an associate for a while. After working with a young dentist, you'll soon discover what his capabilities are. You'll learn if the two of you can get along. You'll find out if you can refer patients to him with complete confidence that they'll receive the same quality of dentistry that you would offer.

*The man to pick is someone whose skills complement your own.* If you have a general practice, for example; your partner should also. A specialist couldn't return referrals to you. And the two of you couldn't cover for one another on holidays and vacations.

How can you be sure your new partner will carry out the policies of your office?

The partnership agreement can provide that the partners must consult on any major decisions in the office. Thus, one partner couldn't hire an employee without the approval of the other. Nor could either partner go out all by himself and buy any big items of office equipment. And you can specify that in cases of disagreement the final decision rests with the senior partner.

# **dental management**

*The National Business Magazine for Dentists*

Dear Editor:

I would like to continue to receive  
DENTAL MANAGEMENT every month.

Name \_\_\_\_\_ D.D.S. \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ Zone \_\_\_\_\_ State \_\_\_\_\_

My comments about DENTAL MANAGEMENT are: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

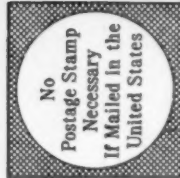
TEAR OFF ALONG DOTTED LINE

**Reserve . . . . Free . . . .**

**Your Copy of  
DENTAL MANAGEMENT  
For February and every month.**

**Fill Out and Mail This  
Postcard NOW !**

**No Postage Needed**



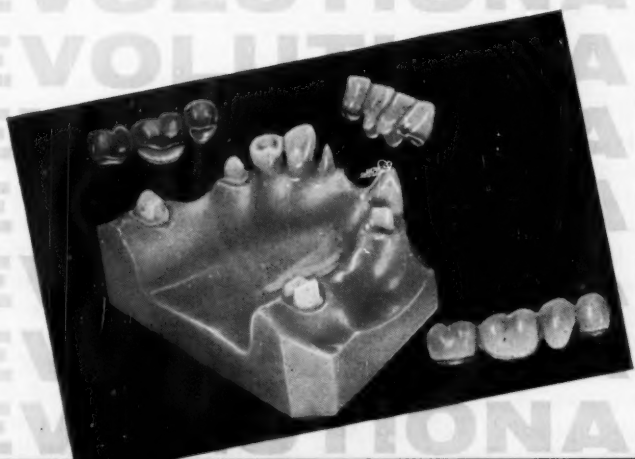
**BUSINESS REPLY MAIL**

FIRST CLASS PERMIT NO. 855 — Stamford, Conn.



**DENTAL MANAGEMENT**

**Box 285, Ridgeway  
Stamford, Conn.**



*The ultimate in beauty, vitality and strength*

# Fedapor

## porcelain-baked-to-gold restorations

Now Federal can provide you with the restorations you have always wanted — porcelain veneers and full coverage baked to gold — with revolutionary FEDAPOR . . . and at prices that are reasonable. Fedapor is a new and improved high-fusing porcelain that is baked to a special type of casting gold with a bond so strong and tenacious that loops, undercuts and other mechanical retention are no longer necessary. FEDAPOR restorations have all the inherent advantages of dental porcelains (beauty, natural vitality, benignness to mouth tissues, impervious to mouth fluids, non-porosity and color fastness) with the strength, fit and reliability of gold.

*Send for free literature about this unusual new prosthetic service.*

**Federal**  
PROSTHETICS, INC.  
15 Parkville Ave.  
Brooklyn 30, N. Y.

Federal Prosthetics, Inc.  
15 Parkville Ave., Brooklyn 30, N. Y.

- ☐ Please send literature and prices on FEDAPOR restorations.
- ☐ Please send literature on other Federal prosthetic services.

Dr. ....  
Address .....  
City ..... Zone ..... State .....

## "I PICKED A PARTNERSHIP"

### Both Must Compromise

This doesn't mean that the senior man can ride roughshod over the junior. If you want a smooth working relationship, there has to be compromise on both sides.

May as well face this much. When you take on a partner, your office is no longer completely your own. You want to buy new equipment? Talk to the junior man first. You think your assistant is incompetent and you want to fire her. Maybe he doesn't agree.

*You don't want a "yes" man for a partner.* He'd be no asset. In fact, you may welcome another man's views in making the major decisions about running your practice.

What will happen to your income after you take on a partner?

This is the big stumbling block to partnership practice. Most senior dentists fear that if they have to split the office receipts with another man their income will dive. And so it might—but not for long.

### Same Income, Less Work

A young man should soon be able to carry his share of the office expenses and earn his share

of the income. Don't expect a big rise in your earnings, even after the break-in period. In most partnerships I've seen, the senior man winds up earning just about as much as he did practicing solo. But he does it with much less work and much less worry. And to my mind, that's just as good as an increase in earnings.

Will the quality of dentistry be as good under a partnership as under a solo practice?

Even better, I think. One senior dentist I know of could afford to hire a hygienist and a laboratory technician after he took on a partner. As a result, the partnership can offer more complete and satisfactory service to patients than either man could practicing alone.

Some older dentists, practicing solo, find they have to turn away patients, or limit the amount of time they spend with each patient. Neither solution fulfills our responsibility to the public. A partnership gives you the time to offer each patient the service he should get.

What about the legal problems? Can't one partner be held accountable for the acts of the other in a malpractice suit?

Yes, he can be. No matter how

unjustified, a malpractice suit can bring bad publicity. But there's no reason for you to risk financial loss. A broad malpractice policy can protect both partners against their own acts and the acts of the other man. There's little more danger of losing money as a partner than as a solo practitioner.

### **If Junior Wants Out—**

What if the junior wants out after a few years, and he takes some of the partnership's patients along with him?

If he wants to leave, of course, there's no way to stop him. But there are effective ways to protect your financial interests.

One way is to put a restrictive covenant in the partnership agreement, a clause providing that if the junior member quits he can't practice in the vicinity of your office for a specified number of years. But a restrictive covenant is an uncertain, and unpleasant solution. Such agreements can be contested in the courts, putting you to the trouble and expense of trying to make them stick. Judges sometimes refuse to enforce restrictive covenants, because the senior partner can't prove he'd be injured if the junior set up an office nearby.

*There's a better way for the senior man to protect his practice.* To discourage the junior from withdrawing, a percentage of his earnings is set aside in a special fund. If the junior sticks with the partnership, the money is used to help him buy into the practice. If he leaves, the money is forfeited to the senior.

The idea is fair to both partners. For the junior, it's a forced savings plan to help him buy in. For the senior, it's a financial guarantee that he won't be injured if the younger man pulls out prematurely. And the longer the partnership lasts, the greater that protection becomes.

The partnership agreement should also answer the question of what happens if the senior man wants to break up the arrangement. Actually, there isn't anything that can't be ironed out if you give enough thought to it.

### **Benefits Outweigh Objections**

So much for the objections to a partnership arrangement, and the answers to those objections. Partnership practice has a lot more to offer than that.

A junior partner can lift so much work off your shoulders. You can take fewer appoint-



## "I PICKED A PARTNERSHIP"

ments, but give more care and time to each one. And you can devote more of your energies to the kind of work that interests you most. If, for example, prosthetic work is more rewarding and exciting to you, you can handle most of the challenging prosthetic cases and give more of the operative work to your partner.

Both the senior and junior partners can live more leisurely than either could practicing alone. You can get home at regular hours, cut down on your night work, spend more time with your family.

### Biggest Plus for Wives

Arranging vacations is a snap if you're a member of a partnership. In one group I know of, each man takes a month off every summer. And each is entitled to a month's sick leave a year. In another partnership, the senior takes off every fifth week, the junior every sixth. How's that compare to your own vacation schedule?

But the biggest plus of part-

nership practice is not for the dentist-members at all. It's for their wives. You've seen many cases where a dentist dies, and the value of his thriving practice vanishes overnight. That seldom happens in a dental partnership.

The partners take out criss-cross life insurance policies on each other's life. If either member dies, the survivor has the cash to buy out the partnership. The widow is assured of receiving a fair price, quickly and easily. The surviving partner benefits, too. He can take over the practice without any big outlay of cash.

If you are considering taking on a junior as a partner, keep two things in mind: *Be sure you get yourself the right man. Reduce everything to writing.* Oral agreements are too easily misunderstood.

And take plenty of time to think things over before you sign the final papers. Taking on a partner is a little like taking on a wife. It's easier to get one than it is to get rid of one. END

---

## Open and shut case

Word from Moscow has it that the Russians are pioneering new ways of performing dentistry via the nasal passages.

Reason: nobody in Russia is allowed to open his mouth.

# Washington Spotlight

---



**YOU'LL HEAR MUCH TALK IN THE NEW CONGRESS** about long-range programs to aid medical and dental schools. Legislation will be offered providing for a five-year, \$100 million program for building new or expanding old teaching facilities. Dentistry's share would be \$25 million. There'll also be moves for encouraging group practice in dentistry. One plan would authorize the Surgeon General to guarantee loans for constructing group practice facilities.

**THE VOTE ON FLUORIDATION AT LAST NOVEMBER'S ELECTIONS** has public health officials worried. Preliminary returns show that 13 key communities voted against fluoridating their water; only five voted in favor of it. In one Wisconsin town, fluoridation was turned down by a margin of one vote.

**BOOSTING ITS CHAIRSIDE ASSISTANT PROGRAM**, the U. S. Public Health Service has prepared a 15-minute film for use by high schools, employment agencies, and job counselors. Object: to interest young women in becoming dental assistants. The film will soon be available for showing, on request through state health departments. It's called, "The Dental Assistant — A Career for Service."

## **WASHINGTON SPOTLIGHT**

**BETTER MAKE SURE YOUR** Federal and state income tax returns jibe this year. More than half of the states levying income taxes, a new study shows, now match notes with the Federal Government. So if your Federal return is checked and the tax adjusted, you can expect a call from your state. And vice versa.

**THINK TWICE BEFORE YOU ACCEPT** checks from a stranger. The nation now faces a "veritable plague of bad-check passers," warns FBI director J. Edgar Hoover. He says phony check writers now are skinning business and professional people to the tune of "a staggering \$1,000 a minute." The annual haul: about half a billion dollars.

**LOOK FOR ANTI-FLUORIDATIONISTS TO RAISE QUESTIONS** about President Kennedy's (water) drinking habits. Stories cropped up frequently during the Eisenhower years alleging that he refused to take fluoridated water from Washington taps. He spiked these finally at a press conference.

**GOODWILL IS A GOOD THING TO HAVE WHEN YOU'RE SELLING A BUSINESS.** The value assigned to it is taxed at the low capital gain rates. But so far the I.R.S. has balked at crediting anything to goodwill in the sale of a dental practice. There's no such thing, the Government says, in the sale of a practice dependent upon the professional skill of the owner. A Federal District Court has just disagreed. It upheld an Oregon dentist's claim that \$35,000 of the \$40,000 he got from his two new partners was for goodwill. The dentist's tax savings could run to \$9,000 or more.



# You Can Deduct Those Practice-Building Expenses

grow? Can you also claim a tax allowance for them?

*The answer is yes—with a big "IF" attached.* You can deduct all such expenses if you can prove that you made them for a valid business purpose. You have to show that you spent the money in the expectation that it would pay off in the form of higher earnings, and that the amount you spent was reasonable in relation to the return you hoped for.

BY J. K. LASSER TAX INSTITUTE

**T**HE success of your practice depends on your skill. But skill alone won't bring new patients into your waiting room. Neither will word-of-mouth recommendations. You must meet people, and become known in the community.

Advertising is, of course, forbidden by dental ethics. But there are any number of proper ways to build your practice. And all of them cost money.

You know that the expenses of running your practice are deductible. But what about those costs of helping your practice to

## A Word of Warning

Be warned at the outset: *A deduction for promoting your practice is one of those things an Internal Revenue agent will probe into if your return is checked.* The agent will want proof of the amount you spent, proof of whom you spent it on, and proof that the expenses actually did help improve your practice.

Sometimes that proof is easy to get; sometimes it isn't. Many of your practice-building expenses have a mixed motive. Your country club membership, for example, may help you to meet new patients, but what if

## PRACTICE-BUILDING EXPENSES

the wife and kids also enjoy the swimming?

You'll have to take some care—and do some meticulous record-keeping—to win the right to claim your practice-building expenses. But it may help you to save hundreds of dollars in tax deductions which are now slipping by you.

With that in mind, here are some of the major costs you may have encountered in building your practice, and the way you should treat them for tax purposes.

### Some Specific Examples

**Service club dues.** Your dues to Rotary, Kiwanis, the Lions, and similar clubs are normally personal expenses, and not deductible. Of course, those groups have their social side, but there's no better way to become known and respected in a community than to join them. If you can show that your key reason for joining was professional, you should be allowed to claim a healthy slice of your dues.

How to prove your motives were professional? Run down the names of the members of your club and see how many of them are your patients. And note how many of them you first met

through the club. That's the kind of information you may be asked to produce.

**Country club dues.** Here, again, your motives for joining are probably more than just meeting new patients, or entertaining old patients or referring dentists. It's unlikely that you could claim a full deduction for your dues and other club expenses. But you may be allowed a partial deduction if you can show you acquired many new patients as a result of joining the club, or that you frequently entertain referring dentists there. An oral surgeon, for example, who depends largely on referrals might win the deduction by showing that a lot of dentists belong to his club.

### Hates Golf; Likes Contacts

A pediatrician was allowed to claim the costs of entertaining his patients' parents at his club. Hitting it from the other angle, one dentist argued that he hated golf, never swam, and his family never even visited the club. His only purpose for joining, he proved, was to make professional contacts.

But the best proof of all is to show that you actually did ac-

quire new patients as a result of your club membership. Recently, a court refused a Birmingham, Alabama, dentist's claim for a country club deduction. Reason: He couldn't name a single patient that he had gotten through the club.

So keep detailed records of what you spend for professional entertaining at your club, whom the money was spent on, and their professional connection to you. Separate out those deductible costs from your personal expenses at the club. A reasonable allocation between personal and professional expenses, based on those records, will help strengthen your case if your return is questioned.

**Home entertainment.** You can deduct the costs of professional entertaining you do in your home. But, once again, you may be called up to prove that the expense was ordinary and necessary to your practice. Be careful about entertaining the same few dentists repeatedly. This shows the motive is personal, says the Treasury, rather than professional.

#### **For Reputation or Income?**

*Publishing articles.* This cer-

tainly can help to build your professional reputation. But does it also help to build your income? You must prove that it does in order to deduct for the cost of writing and reprinting the material. It's not enough to show that the article was widely read and well received by the dentists in your community.

In one recent case, for example, a physician operating an industrial clinic circulated an article on industrial surgery. But he wasn't allowed to deduct the costs. He couldn't show that the article had contributed to his income.

Of course, if you write a book or article for pay, that's another matter. Your writing costs are deductible because they're directly related to the production of income.

#### **Brush-Up Courses**

*Educational expenses.* As you know, you can't deduct the costs of getting your professional education, or your license fees to qualify for practice. Neither can you claim the cost of education that qualifies you for a new specialty. But you can deduct for the brush-up courses you take to maintain your skill and to keep

## PRACTICE-BUILDING EXPENSES

abreast of latest scientific developments.

If your course meets that test, you can claim the cost of tuition, textbooks, equipment, and other aids you're required to buy. If the course is given away from your home, you can deduct much more than that.

Say, for example, you live in Akron, Ohio, and take a two-week post-graduate course in Boston. Besides tuition, you can also deduct your travel expenses and your living costs while in Boston. If you do any sightseeing or vacationing while in Boston, that's personal and can't be deducted.

Try to avoid the appearance that the main purpose of the trip was personal. If, in fact, it is personal, you'll only be allowed to claim the tuition and your living expenses while attending school—not the costs of your transportation.

*Professional management services.* No question about this item; it's deductible. A professional manager can often help to smooth out your office routines, improve your billing, collections, and help you to attract new patients. Because of that, the cost of his services is a proper profes-

sional deduction.

### Missing Link in Gifts

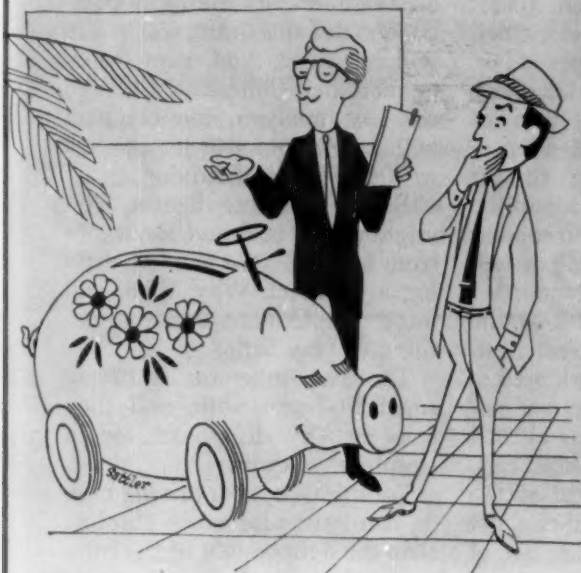
*Gifts.* Gifts to referring dentists, to your assistant, and to patients on special occasions are a thoughtful little gesture. And they can help to build goodwill and lead to increased income. You can deduct for them *if you can supply that missing link*—some reasonable connection between your gifts and your growing practice.

One Chicago dentist makes a habit of sending a small present to the new babies of his patients. "Little babies do grow up you know," the dentist explained to an inquiring Revenue agent. And then he showed the agent a list of youngsters, all of whom had received gifts, that were now his patients.

Perhaps there are other expenses you've had to help increase your practice. There are many possibilities, and the above list doesn't pretend to be complete. The same general rules apply to all of them. You can claim the deduction if you can show that it actually did increase your practice. *The accent is on proof.* And good records are more convincing than a good memory. END



# COMPACT CAR ECONOMY:



**all that  
it's  
cracked  
up  
to be?**

*The facts don't always square with the claims. Dig behind the advertising before you make your next auto-buying decision*

BY MARTIN GEYLIN

**T**HIS year, automotive experts predict, one out of every three cars bought will be a compact. The two million people who will buy these smaller cars expect sizable economies in operating expenses, as well as a lower original purchase price. Unfortunately, many of them will save nothing, and a large portion of the rest will save very little. Only a

shrewd minority will make a significant dent in their automotive costs.

So if you've been thinking about buying a car this year, better arm yourself with the facts about compact car economy. There's more to the subject than appears in the advertisements.

*First, look at mileage.* The tests and records kept by organiza-

## COMPACT CAR ECONOMY

tions running large car fleets provide the most reliable figures. The Columbia Gas System Service Corporation, for one, found that its compact cars yielded about five miles more per gallon of gasoline than did the standard, low-priced cars. The firm of Peterson, Howell and Heather of Baltimore, specializing in car fleet management, also found the mileage obtained from compacts to be "four to five miles per gallon more than the standards."

And, near the end of 1960, the purchasing agent for Westchester County in New York said it had gotten 20 to 25 miles per gallon from its compacts as against 12 to 13 for standard-size cars. Those reports are typical, so the evidence suggests you can get five or more extra miles out of each gallon of gas you burn in a compact car.

### Apparent Savings

*What does this amount to in dollars saved per year?* That depends, of course, on how much driving you do. Figuring an average of 10,000 miles per vehicle, the General Services Administration of the U. S. Government expects to save from \$60 to \$100 a year for each compact car oper-

ated. Peterson, Howell and Heather of Baltimore also ends up with very similar figures. For 10,000 miles of driving a compact, states this outfit, \$50 to \$75 will be saved. And, says Runzheimer and Company, Chicago car cost analysts, the compact will save about \$45 in gasoline in 10,000 miles of driving.

Based on those figures, you might think you'd save anywhere from \$45 to \$100 a year by driving a compact. Why, then, will most people actually save nothing or very little?

Those savings are relatively small to begin with, and they can swiftly disappear for a couple of reasons.

For instance, poor driving habits can waste far more gasoline than the light weight of the compact saves. Paul C. Ackerman, vice-president in charge of engineering at Chrysler Corporation, made a study which revealed that *different people driving the same compact car recorded variations of up to 14 miles a gallon because of their individual driving habits.*

There isn't much sense in buying a compact to get five miles more per gallon of gas when poor driving can waste 14 miles

a gallon. If you improve your driving skills on a standard-size car, you may save far more gasoline than you could by buying a compact. (For tips on saving gas no matter what car you drive, see page 48).

### Accessories Cut Mileage

Another factor reducing your gasoline savings on the compacts is the temptation to spend some of those savings on accessories. Air conditioning and power steering cut your mileage by 16

percent and 6 percent respectively. When you add automatic transmission, you reduce mileage another 7 percent. Those three extras will cost you every bit of the gas you might otherwise save by buying a compact.

How about the amount you save in the original purchase price of a compact?

That depends on the shape of the car market when you do your shopping, and the savings may not be as great as "list" prices lead you to believe. The



"... Mind drilling a hole through here, Doctor?"

## COMPACT CAR ECONOMY

popular compacts are cutting deeply into the sales of standard models, thereby shrinking the price spread between them. The *Wall Street Journal* checked car dealers around the country and found that the new, 1961 standard models already are being marked down \$150 to \$300.

### What About Resale Value?

Another fact to consider, points out Peterson, Howell and Heather, is the resale value of compact cars. The typical compact is only 75 percent as much

car as the standard version in terms of weight, size, seating, trunk space and over-all utility. "Yet," reports these specialists, "it costs roughly 90 percent as much to buy . . . It is difficult to believe that the used compacts can maintain a price relationship that is 90 percent of the going market for used, standard-sized cars. If this reasoning proves valid, dollar depreciation on compacts will be higher than on the standards and could easily offset the operating savings, which don't add up to much in

## THE LINEUP OF THIS YEAR'S COMPACTS

Name	Wheelbase (inches)	Over-all Length (inches)
Buick Special . . . . .	112	188.4
Chevrolet Corvair . . . . .	108	180
Comet . . . . .	114	194.8
Dodge Lancer . . . . .	106.5	188.8
Ford Falcon . . . . .	109.5	181.2
Oldsmobile F-85 . . . . .	112	188.2
Plymouth Valiant . . . . .	106.5	184
Pontiac Tempest . . . . .	112	189.3
Rambler American . . . . .	100	173.1
Studebaker Lark . . . . .	108.5	175

the way of dollars anyway.”

The conclusion:

**If you get the top discount on a standard car, alert yourself to gas-wasting habits, and resist the natural impulse to go overboard on expensive extras, you'll save more money than the average compact car buyer. You will also have a better car.**

On the other hand, a car buyer who avoids the accessories and is an efficient driver will save *some* money if he switches to a compact—but not as much

as publicity has led him to believe. Only a few months ago, for example, the Federal Trade Commission forced a major car manufacturer to abandon advertising claims that its compact would deliver 33 miles per gallon of gasoline.

Compact cars do have some important advantages. They're more maneuverable in crowded city streets and heavy traffic, and they're easier to park. Those are the real reasons you should consider buying a compact. *Not economy.*

Weight (pounds)	Horsepower	Mileage per Gallon*	Price**
2,732	155	20	\$2,384
2,415	80	24	1,920
2,515	85	22.5	1,998
2,750	101	20	2,007
2,395	85	25	1,912
2,695	155	24	2,384
2,748	101	20	1,953
2,900	110	21	2,176
2,450	90	25	1,845
2,750	112	22	1,935

\*Manufacturer's estimate.

\*\*Includes Federal taxes and dealer's profit, but not freight, local taxes and optional equipment.

Note: In every case, the figures are for the smallest model of each make.

## **Six Gas Guzzling Habits — And How to Break Them**

- 1.** Unnecessary Braking. You have to burn gasoline to bring your car up to cruising speed, but the energy is wasted if you stop short. Try to keep a steady speed by anticipating red lights and crossings. Slow down by easing off on the gas pedal, *not* by stepping on the brake.
- 2.** Accelerating too rapidly. On a jackrabbit start, you might get only about five miles per gallon. As long as there is no emergency, accelerate smoothly and gently.
- 3.** Taking hills at the wrong speed. Forty-five miles per hour is the most economical speed for average hills. You should hit that rate at the base of the hill and hold it till you reach the crest.
- 4.** Speeding. This is the greatest gas waster of them all. Pounding along at over 60 miles per hour can increase your fuel costs by as much as 60 percent.
- 5.** Buying high-test gas needlessly. All cars will show a little better mileage from premium gasoline. But only the high-compression engines really need it. Check with your mechanic on which grade you should use. "Regular" may give you nearly as good performance, at a great saving in cost.
- 6.** Failure to keep car in peak mechanical shape. Oil, grease, and periodic tune-ups can all help to improve your gas mileage. Have your mechanic check and make sure your carburetor is delivering the right gas mixture. You can't save much if your car isn't in good running order.

# Resolved: Better Tax Records for 1961!

*It's too late to do anything about  
1960 figures except to make sure your return  
is in order. But by making 1961 a "record" year  
you can keep your taxes to a  
record low a year hence*

By ALLAN J. PARKER, LL.M.

**T**HIS article is intended to help you with your 1961 Federal income tax return, which you'll file early in 1962.

"Hold on a minute," you say. "I haven't even started work on my 1960 tax return, and you want to talk about 1961's return!"

Exactly. All you can do now for your 1960 return is add up the score. As far as tax planning goes, it became history at the stroke of midnight on December 31, 1960. At that same instant, preparing the books and records for your 1961 return began.

## Setting Up a System

You don't have to be a C.P.A. or even take a course in bookkeeping to keep money-saving tax records. Just keep in mind the three magic "R's"—*routine, responsibility and review.*

*Routine* is first and foremost. If you don't have one already, establish a regular bookkeeping or accounting method. You can get help with this from an accountant. He'll set up a system for you and teach you and your assistant how to use it.

Unless your billings are unusually heavy, the accountant probably won't suggest that you invest in expensive mechanical equipment, such as ledger or posting machines. But if he tells you to buy an adding machine or checkwriter, listen to him. These relatively inexpensive items often pay for themselves in productive time saved.

Do your recordkeeping as you go along, and don't let it pile up. As part of your routine, try to record and deposit your professional receipts the same day you

The author practices law in New York City.



## BETTER TAX RECORDS

get them. Violation of that rule has led to serious tax trouble for some dentists. Any delay between the receipt and deposit of income invite mistakes. And the Government is not always divinely forgiving.

As another part of your routine, pay as many of your business expenses as you can by check. And jot down on the check what it's for. That gives you a self-proving record of the bulk of your professional expenses. Remember, the law demands that you prove your return is right. The Government doesn't have to prove it's wrong.

### Learning the Hard Way

I know one dentist who learned that lesson the expensive way. He flashed a pack of cancelled checks at a Revenue agent to prove some professional expenses he had. The checks were all made out to "cash." The agent riffled through them, and smiled. "These don't prove a thing, Doctor," he said. The deductions were denied.

Of course, you can't pay by check for every little professional expense, but the right routines can help save you tax money there, too. Set up a petty cash

system to cover the money you dribble out for stamps, office supplies and so forth. Here's an easy method you can use:

Put \$25 or so in your petty cash box. Then, every time you or your assistant pay out any money, slip a note in the box and reimburse yourself out of the fund. When the cash drops down to \$5 or so, draw a check to replenish it, marking the check "For petty cash." Those checks, plus the supporting chits for the individual items, should be all the proof you need to back up your small expenses.

If you use your car for professional purposes, your record-keeping routine should include a little black book in your glove compartment. There you record the cost of gas, oil, tolls, parking, garage, and servicing charges attributable to driving to, say, a dental clinic or a county dental society meeting. Those records will also help you prove what fraction of the car's depreciation should be charged off to your profession.

### Hint for Investors

If you have any investments, a little investor's notebook is another important part of your rec-

ords. This will show the cost of your securities, dates acquired and sold, and the net price received. Keep it up to date every time you have any stock market transactions, or receive any dividends or interest.

Even your home life enters into your tax-saving routine. Personal deductions can take a big slice out of your tax bill, if you're careful to catch them all. Here your sharpest weapon is a well-trained wife. Her account book: a simple wall calendar.

Suppose the little woman stuffs \$2 in cash into a cannister rattled on the street corner for the Mental Health Association. As soon as she returns home from her shopping, she makes a note of this contribution right on her calendar. In the same way, she can make notes of out-of-pocket expenses incurred in performing services for a charitable organization, and all the other little personal deductions that might otherwise be overlooked.

While this type of entry is not as strong proof as a cancelled check, it'll be accepted by an examining revenue agent, if the amounts involved are not too large. Tax records don't have to

be in neat columns in hard-cover books.

### Now for Second "R"

After routine comes the second "R", *responsibility*. You can delegate to your assistant most of the detail in keeping records. Your accountant, of course, will do the actual work of filling out the return. But the ultimate responsibility for both your records and your return lies with you—and there's no way you can shift it. You remain liable no matter who helps you.

This fact was brought home last year to one Eastern dentist. He gave his accountant all the figures necessary to prepare his return. But the accountant made a mistake and left out a \$1,000 long-term capital gain the dentist had realized during the year. The Revenue Service caught the error, and tagged the dentist with a percent negligence penalty. The Tax Court upheld the penalty, saying, "the duty of filing an accurate return cannot be avoided by placing responsibility on an agent." With an omission that large, the dentist should have noticed that the return was out of line before he signed it.

## BETTER TAX RECORDS

That brings us to the third and final "R," *review*. At least once a year, check on the adequacy of your accounting system and your assistant's performance in maintaining it. The ideal time to do it, of course, is when you fill out your tax return.

As you look over the figures, ask yourself what things could be improved. What deductions might be challenged for lack of proof? What deductions might you have overlooked completely because you forgot to record them? What errors may have crept in because of poor accounting routines? These are the things to concentrate on as you plan your accounting procedures for the coming year.

### An Indirect Advantage

There's one other benefit from reviewing your records and tax return each year. For dental practices, a tax return serves much the same purpose as an annual report does for a corporation. Management analyzes these reports and compares them with earlier years as a basis for business decisions. You can do the same with your tax return.

Suppose, for example, you see that expenses for maintenance

and repair of some of your equipment were much higher this year than last. Is it time to trade in this equipment and stop such expenses?

Your accountant may be able to help you in analyzing your tax returns, and in deciding what action to take on the basis of them.

Isn't there a simpler way than all of this to keep records? Yes, there is. It's called the "shoebox" method of accounting, and far too many dentists still practice it. All you do is stuff all your old deposit slips, bills, cancelled checks, and receipts in an old box. At the end of the year, you turn the mess over to your accountant and let him worry about it.

And so he will. He'll probably be able to reconstruct your income and catch most of your deductions, but it'll take time. You'll find yourself paying professional fees for simple clerical work that a high school girl could have done for you. The cost in mixed tax deductions may be even higher.

So, resolve to make the year 1961 a "record" year. It'll help to keep your taxes down to a record low.

END



## Good Dentistry Isn't Enough

*There are four other areas involved in running a successful practice. Take a long look around your own office. What you find may surprise you*

BY PRINCINE MERENDINO

**T**HE BIG WHEEL in the dental office is *you*. But the spokes around you are important, too. It takes more than good dentistry to run a successful dental practice. It takes that, plus an attractive office, a capable assistant, an efficient office routine, and sensible fees.

You can't dodge these knotty problems of running a dental practice. They're with you, like it or not. Solving them is going to take some time, thought and possibly some money as well. But it's effort and money well spent. Consider each of those areas in turn:

1. *Your Dental Office.* Put yourself in the patient's place

when he first enters a dental office. Does he see threadbare carpets and grimy furniture? If so, he'll expect the same kind of service he'd get in a dirty diner—low quality and cut-rate prices.

One young dentist practiced in a barren office near a factory area. Then he decided to join up with an older man. His new partner had just finished decorating the office. The ceilings were expensively paneled, the carpeting thick, the lamps modern and high for easy reading and semi-classical music was piped throughout the office. The operating rooms were outfitted with the most modern equipment available.

The author, a free-lance writer, is the wife of a practicing dentist.

## GOOD DENTISTRY ISN'T ENOUGH

"What's the point in spending all that money?" the young dentist said bluntly. "Patients don't give a hoot. They just want fillings packed in."

He found out otherwise a few days later, with his very first patient. "This is the cleanest, best-looking dental office I've ever seen," the patient said.

### New Office Pays Off

After completing the work, the dentist quoted the fee. It was double what he used to charge in his own practice. But it was paid without question.

Important as your waiting room is, your operating room is even more so. Fresh paint might spruce up a table, but it won't hide outmoded equipment. One dentist of my acquaintance, in practice a long while, still uses his old original operating equipment. His unit looks like a Rube Goldberg cartoon. Small wonder that his practice is falling off. Modern equipment tells your patient that he can expect the finest possible dentistry.

2. *Your Dental Assistant.* A poorly paid, mediocre assistant is no asset. How many offices have you entered where the girl looks up briefly, then goes back to her coffee or her chewing

gum? It's a brushoff, whether or not she intended it that way. Compare that with a girl who looks up, smiles, and then stands to greet each patient warmly.

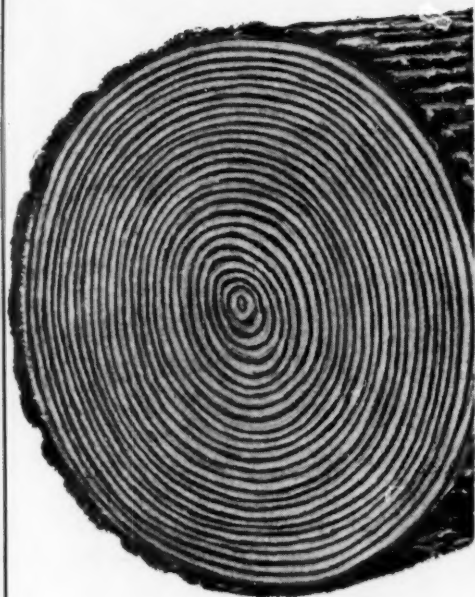
Your dental assistant is a patient's first contact with you. And the quality of your assistant indicates the quality of your office at the start. No mere receptionist, she's a traffic manager, diplomat, financial consultant and hostess, all in one.

She must be trim, poised, and gentle-voiced. Her tact must be flawless as she takes information from a new patient. And a smart girl remembers to assure each patient that his wait will be a short one.

### Neatness Is Essential

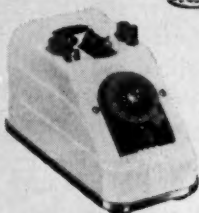
Your assistant's neatness is reflected throughout the office. A good housekeeper keeps ashtrays emptied, magazines straightened and dust off the tables. She checks the bowls in the operating room for cleanliness and cleans equipment whenever necessary.

Your assistant's biggest job is to relieve you of minute details. The right girl handles appointments intelligently and calls patients in for special appointments. She determines over the



# 61<sup>st</sup> ANNIVERSARY

Crescent's growth, as an acorn's to a sturdy oak, is known wherever dentistry is practiced. Now in our 61st year, we continue to produce quality products that help dentists make better restorations, do better operative work, increase their efficiency and save their time. Contact your dealer for the Crescent products designed to complement your skills. Write us for free Crescent catalogs.



CRESCENT DENTAL MFG. CO., 1839 So. Pulaski Road, Chicago 23, Ill.



## GOOD DENTISTRY ISN'T ENOUGH

phone whether a patient has an emergency or whether a regular appointment will do. She soothes the impatient executive who demands immediate attention. She calls about broken appointments and reminds the patient if there's a charge. When a patient is ready to leave, she's always on hand to take his payment and make the next appointment.

3. *Your Office Routine.* People are busy these days. Your office procedure should save their time as well as your own. And it's up to you to see that it does.

In making appointments, know your own capabilities and limitations. Are you a dynamo? Easy going? Few dentists can schedule their appointments every 20 minutes, though some try. It's better to maintain a steady flow of patients than to schedule too closely and keep some people waiting. Patients want to see their dentists on time, or as nearly so as possible.

### Can't Replace Lost Time

When a cancellation occurs, fill the time promptly. Keep a list of patients you can recall for special appointments. An hour's lost time can't be replaced.

When a patient is finished with operative work, your dental

assistant can ask if he would like to be called for his six-month checkup. If he says, "Yes," place him on the requested recall list. A definite time should be set aside each week to handle requested recalls. The patient who says, "Oh, let it go, I'll call you," goes in a separate file. Special letters can remind these patients of the necessity for a regular checkup.

Each morning, your assistant should pull the charts of the patients expected that day. And she should hand you each patient's chart before he enters the operating room. While he's settling down, you can glance through the record and check the work done and the amount still to be completed.

Most dentists now use two operating rooms. But moving patients effortlessly still takes good planning. While you're working in the second operating room, your dental assistant cleans the first and sets up the tray with sterilized instruments. She seats the next patient in the dental chair. When you've finished in the second operating room, she takes over your patient. She gives him an appointment or takes his payment. She then makes the second operating



room ready for you. Easy? Yes. If your dental assistant is on her toes.

### **When To Discuss Fees**

At the first visit of a new patient, most dentists do the prophylaxis, take x-rays, and make whatever models they need for study. At the second appointment, they discuss the operative work to be done and the fees. Those first two visits are vitally important in building the patient's confidence in you.

A frank discussion of fees at the second visit helps avoid misunderstandings, and keeps billing to a minimum.

If possible, try to start work on your bills during the third week of each month. And by all means get them into the mails before the end of the month.

4. *Sensible Fees.* Your fees must cover your office expenses and provide a reasonable income for you. Divide your yearly expense by your working hours to compute your costs per hour. Add to that the value of your service to reach the hourly rate your fees should be based on.

No one but you can determine what to charge. It depends in part upon where you practice,

the patients you treat, and the service you offer. A high fee is cheap if you can justify it with superior service.

That's just what you offer when you give the patient a thorough prophylaxis and full-mouth x-ray. A cursory ten-minute prophylaxis with bite wings only is not comparable. You must educate the patient to the difference.

### **One Quality, One Price**

There's only one kind of quality service in dentistry. And only one price to each individual patient. It's in this way that you maintain your stature as a professional man.

Glance at your office to see how smoothly the spokes around you are turning. If you haven't got the know-how to plan a handsome office, call in a decorator. When you're hiring a dental assistant, be selective. Take the time and spend the money to get the best girl available. If your office routine is ragged, maybe you should engage a professional management consultant to help you. And make sure your fees are reasonable to the patient and provide you with a fair return for your services. END

# Dr. X has a problem!

---

DENTAL MANAGEMENT doesn't claim to have **all** the answers. But its experienced staff and outside authorities know **where** to find almost any information dentists may need or want on practical business subjects.

So if something in particular is furrowing your professional brow, why not let us share your problem and see if we can come up with a beneficial solution, of help to others as well as you. Jot down the details in a note to The Editor, DENTAL MANAGEMENT, Box 285 Ridgeway, Stamford, Conn. We can't answer you with a personal letter, but we **will** make every effort to answer your question in an early article in this magazine. Naturally, your name won't be published without your permission.

. . . just part of the service of DENTAL MANAGEMENT, *your* new National Business Magazine.

# New Rules on Tax-Favored Benefit Plans

*At last the Internal Revenue Service has stated how a dental group can qualify for pension benefits. The rules are hard to satisfy, but at least there's a fighting chance*

BY RONALD KING, LL.B.

**L**AST November, after years of delay, the Internal Revenue Service issued its final "Kintner Plan" regulations. The new rules clear the way for some dentists to set up the same kind of tax-favored benefit plans for themselves that corporate employees have long enjoyed.

Why only *some* dentists? For one thing, only dentists in group practice can possibly qualify. For another, the new rules are so stringent that many dental groups will not *want* to meet the Federal requirements. But for those dentists who are willing and able to qualify, these brand new regulations present a bundle of tax breaks never before available, a bundle much juicier than that offered by the long-heralded — but as yet unpassed — Keogh Bill.

As you know, the income tax laws have long discriminated against self-employed professionals. The president of a multi-million dollar corporation is, technically, an employee and entitled to participate in his company's benefit plans. But a self-employed dentist, whether practicing solo or in partnership, is not an employee. Hence, he could not participate in an "employee" plan. And state law generally prohibits dental partnerships from incorporating.

## Slicing Legal Tangle

The new rules slice through that legal tangle. What they do is define a special type of organization, an "association." An association is a group of people gathered together for the purpose of carrying on a business and earning a profit. It's not incorporated, but it has so many of the qualities of a corporation that it's taxed like one under the Federal laws. Since it's taxed like a corporation, it has the right to set up all the tax-favored plans a corporation can have. *And the dentist-members are entitled to participate!*

The author is a member of the Connecticut bar.

## TAX-FAVORED BENEFIT PLANS

That legal principle was first established back in 1954 in a court case involving the Kintner Clinic, a group of Montana physicians. That case gave the new regulations their nickname. And the same legal principle applies to dentists and all other self-employed professionals who are prohibited by law from incorporating.

What can an association offer you that an ordinary dental partnership cannot? To mention the major items:

- *Pension plans.* An association can establish a "qualified" retirement plan. Contributions made by the association on behalf of the dentist-members are tax deductible. The pension fund pays no taxes on the earnings of its investments. The dentists pay no taxes on the money credited to them until they retire and begin to draw benefits. *By then, they're usually in a much lower tax bracket.*

- *Life and health insurance.* The association can set up such



plans for the dentist-members and get an immediate tax deduction for the cost. The dentists aren't taxed on the value of the benefit.

### Two Other Benefits

- *Wage-continuation deductions.* If any member of the dental association can't work because of illness, up to \$100 a week of the salary paid him during the disability is tax-deductible.

- *Death payments.* The association can agree to pay up to \$5,000 to the widow of any member who dies. The association can deduct for the money, and the widow isn't taxed on it.

Of course, association status is not an unmixed blessing; it has drawbacks, too. For example, *the group faces corporate income taxes if it shows a profit.* The dentist-members become subject to income tax withholding, just like employees. Many of those benefit plans must include the auxiliary help as well as the dentists. And there are always legal and accounting fees to be paid in setting up the association and its benefit plans.

But on balance, an association

has much to recommend it. The tax savings could add up to many thousands of dollars. And the longer the association continues, the larger the tax benefits will mount.

### Four Qualities Needed

*What do you have to do to qualify your dental group as an association?* You must show that it has more of the attributes of a corporation than of a partnership. The regulations cite four key qualities that an association should have:

1. *Centralized management.* Control of the association must be lodged in some one member or small group of members. This group makes the management decisions for the entire association. In that, it resembles the board of directors of a corporation.

2. *Continuous life.* The death, resignation, or retirement of any member of the association cannot cause it to dissolve. In a corporation, for example, if a stockholder dies or sells out, the corporation continues the same way it did before.

### Selling an Interest

3. *Free transferability of in-*

## TAX-FAVORED BENEFIT PLANS

terests. Members of the association must be able to sell their interest, without the consent of other members, to someone else. This is similar to a corporate stockholder's right to sell his shares at any time to anyone he wants.

4. *Limited liability.* Members of the association may not be held personally liable for the debts or claims against the association, any more than stock-

holders can be held liable for claims against their corporation.

That last requirement can't be met by a dental partnership. Dentists are normally held liable for the acts of their partnership. But, the regulations imply, a dental group can qualify as an association as long as it meets any *three* of the above four requirements. *Can you meet the other three standards?*

That's hard to say at this time.

### *What's funny about dentistry?*

Calling all dentists! Calling all dentists!

What's caused a little unexpected fun in the course of your practice lately?

Has there been some incident that was especially amusing . . . surprising . . . even a bit embarrassing . . . ?

How about sharing the story with your colleagues throughout the nation? We guarantee it won't hurt any more than seating an inlay—and it may not bring you as high a fee—but think of all the ribs you'll be tickling.

Send your contributions to DENTAL MANAGEMENT, Anecdote Editor, Box 285 Ridgeway, Stamford, Conn. If accepted for publication, you'll receive \$15-\$25 for it.

Contributions must be original and heretofore unpublished. Sorry, none can be acknowledged or returned. If not accepted within 90 days, you're invited to try again.

The regulations are so new that tax experts can't give an unqualified answer. Even if you are willing to recast your partnership agreement to meet the requirements, there's one special hurdle you'll face: *the partnership law of the state you practice in*. The new regulations stress that an association's articles will be tested under the laws of its home state. And that may make it *impossible* for your group to qualify under the regulations.

### Legal Barriers

For example, if your state law says that a partnership *must* be dissolved on the death or with-

drawal of any member, your group doesn't meet the "continuous life" requirement—*no matter what your agreement may say to the contrary*. The partnership laws of many states apparently do bar associations of self-employed professionals.

Obviously, this is a dangerous area for the tax amateur to wander unaided. *You'll need expert legal help if you're interested in setting up a dental association*. But here, at last, is one possible route for you to achieve a tax-favored retirement plan, and you should be aware that it exists. As the law now stands, it's the only route there is. END

---

## A new twist

It was 4:30 in the afternoon. Since 2:30, when school let out, the children had been pouring into the busy orthodontist's office. The harassed dental assistant, uniform mussed, cap slightly askew, peered into the reception room to count noses. Most of the small patients she recognized. But huddled together in one chair, grimy faces buried in a dog-eared comic book were two moppets whom the assistant couldn't immediately place. Wearily, she asked their names, and had they appointments to see the dentist? One little urchin dragged his attention away from the cartoon characters long enough to murmur, "Oh no, mam, we're not patients. Just readers."—M.W.G., Connecticut.



# *Index of Advertisers*

ALD, Inc. Westinghouse Laundromat .....	27
American Prosthetics, Inc. Flexon .....	22
Chloraseptic Company, The Chloraseptic Mouthwash and Gargle.....	6
Crescent Dental Manufacturing Company .....	55
Federal Prosthetics, Inc. Fedapor .....	33
Hu-Friedy Mfg. Co., Inc. Suture Needles .....	11
Justi & Son, Inc., H. D. Vivodent .....	4-Page Insert Opposite 1
Leeming & Co., Inc., Thos. Thermodent Tooth Paste.....	Inside Front Cover
Proctor & Gamble Crest Toothpaste .....	Back Cover

*Coming in*

## **dental management**

### **Next Month:**

PRESCRIPTIONS are becoming a vital part of dentistry. Many practitioners are finding the proper use of written prescriptions can be a practice-builder. How prescriptions help convince patients the dentist has their welfare at heart.

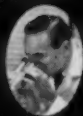
### **Also:**

These Stocks Pay Tax-Free  
Dividends

The Fine Art of Collecting  
by Mail

All Those Tax Deductions  
Around Your Home

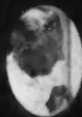
*Don't miss these—and many more—  
helpful articles in the February issue.*



CREST is the first and only dentifrice

recognized by the American Dental Association

as effective against caries.



It can be a

valuable supplement to your program of reg-

ular, preventive care.



Won't you suggest

CREST to every patient who can benefit

from this added protection?



THE COUNCIL ON DENTAL THERAPEUTICS RESOLUTION:

"Crest has been shown to be an effective anticaries dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care. Crest dentifrice may also be of value as a supplement to public dental health procedures."

J.A.D.A. 61:272 (1960)



DENTISTRY: CONSTANT PROGRESS THROUGH CONSTANT

Fluoristan is Procter & Gamble's registered trademark for an exclusive combination of stannous fluoride and a fluoride-compatible polishing agent.

PROCTER & GAMBLE • DIVISION OF DENTAL RESEARCH • CINCINNATI 1, OHIO